

REQUIRES MONITORING  
OR STAFF ACTION \_\_\_\_\_

### COMMISSION DIRECTIVE

ADMINISTRATIVE DEPT. \_\_\_\_\_

DATE October 27, 2004

TRANSPORTATION DEPT. \_\_\_\_\_

DOCKET NO. 2004-90-W/S

UTILITIES DEPT. XXX

ORDER NO. \_\_\_\_\_

#### SUBJECT:

DOCKET NO. 2004-90-W/S – Total Environmental Solutions, Inc. (TESI) - Application for Approval of an Adjustment of Rates and Charges for Water and Sewer Services. *Discuss with the Commission receipt of Foxwood Hills Property Owners Association's Petition for Reconsideration of Commission Order No. 2004-434, dated September 17, 2004 - Final Order on Application for Increase in Rates. Also discuss, Total Environmental Solutions, Inc.'s Petition for Reconsideration of Commission Order No. 2004-434.*

#### COMMISSION ACTION:

The Foxwood Hills Property Owners have petitioned for rehearing or reconsideration concerning the requirement that any person who reconnects within 10 months of being disconnected will be charged for the time that service was disconnected. This may cause a hardship on persons who are disconnected for inability to pay their bills. However, this does act as a preventive measure for property owners who visit their property infrequently and have service disconnected except for brief periods when the property is used. The system is built to serve all property owners regardless of whether they are using their property, and all property owners should contribute to the fixed costs of the system. Also, there is nothing in the record expressly addressing this issue other than the applicant's tariff. If property owners are burdened by this provision, they may register complaints with the Office of Regulatory Staff and request a Commission hearing. Therefore, ***the Petition for Rehearing or Reconsideration filed by the Foxwood Hills Property Owners Association is denied.***

TESI has petitioned for rehearing or reconsideration concerning a number of issues including direct wages, affiliated service costs, TESI's asset base, and the passed-in rate structure. The Commission is of the opinion that these issues were supported by the evidence in the record and the Commission Order. However, the Commission is of the opinion that the arguments concerning Enhancement Fee Income are valid. Thus, ***the Petition for Rehearing or Reconsideration filed by TESI is denied, except for the Enhancement Fee Income.*** The Order shall be amended to reflect TESI's position concerning Enhancement Fee Income. TESI has also proposed adjustments that would collect the same amount of revenue, but in a different manner. While this proposal has merit, it would violate accounting rules for the treatment of depreciation. We are sympathetic to TESI's position and understand that accounting rules may not adequately address systems purchased in bankruptcy. However, accounting principals must be followed, and ***TESI's alternative proposal is denied.***

APPROVED \_\_\_\_\_

PRESIDING Mitchell

APPROVED STC 30 DAYS \_\_\_\_\_

CLYBURN Yes

ACCEPTED FOR FILING \_\_\_\_\_

FLEMING PNOP

DENIED \_\_\_\_\_

HAMILTON PNOP

AMENDED \_\_\_\_\_

HOWARD PNOP

TRANSFERRED \_\_\_\_\_

MITCHELL Yes

SUSPENDED \_\_\_\_\_

MOSELEY Motion

CANCELED \_\_\_\_\_

WRIGHT PNOP

SET FOR HEARING \_\_\_\_\_

**REGULAR SESSION X**

ADVISED \_\_\_\_\_

**SPECIAL SESSION \_\_\_\_\_**

CARRIED OVER \_\_\_\_\_

**TIME OF SESSION 10:30AM**

RECORDED BY P. D. Riley